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NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA
COUNTY OF WAKE

BEFORE THE COMMISSIONER PROCESSOR
OF INSURANCE

IN THE MATTER OF THE LICENSURE
OF MICHAEL STERLING SMITH
LICENSE NO. 0001536575

VOLUNTARY SETTLEMENT
AGREEMENT

NOW COME Michael Sterling Smith (hereinafter "Mr. Smith") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents; and

WHEREAS, Mr. Smith currently holds a producer's license with the Department with authority for Life, Accident and Health or Sickness, Variable Life and Variable Annuity insurance; and Medicare Supplement and Long Term Care insurance; and

WHEREAS, North Carolina General Statute § 58-33-46(a)(2) authorizes the Commissioner of Insurance to place on probation, suspend, revoke, or refuse to renew any license issued under Article 33 of the North Carolina General Statutes for violating any insurance law of this or any other state; and

WHEREAS, North Carolina General Statute §58-33-46(a)(7) authorizes the Commissioner of Insurance to place on probation, suspend, revoke or refuse to renew the license of any licensee for having admitted or been found to have committed any unfair trade practice or fraud; and

WHEREAS, North Carolina General Statute §58-63-15(2) prohibits the making, publishing, disseminating, circulating or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or with respect to any person in the conduct of his insurance business, which is untrue, deceptive or misleading; and

WHEREAS, Mr. Smith allowed his name to appear on websites and in a newspaper advertisement in the High Point Enterprise in December 2010 regarding his insurance business

which identify him as a "CPA," when in fact, under the rules of the "North Carolina State Board of Certified Public Accountants", he was not lawfully authorized to use the title "certified public accountant" or "CPA" in this State, which representation was in violation of North Carolina General Statute §58-63-15(2); and

WHEREAS, Mr. Smith has admitted to these violations; and

WHEREAS, Mr. Smith has agreed to settle, compromise, and resolve the matters referenced in this Agreement, and the Department has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against Mr. Smith; and

WHEREAS, the parties to this Agreement mutually wish to resolve these matters by consent before the Department initiates an administrative hearing, and have reached a mutually agreeable resolution of these matters as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Smith and the Department hereby agree to the following:

1. Immediately upon the signing of this Agreement, Mr. Smith shall pay a **civil penalty of \$250.00** to the Department. The form of payment shall be by certified check, cashiers check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." Mr. Smith shall remit the civil penalty by certified mail, return receipt requested, to the Department along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **June 3, 2011**. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.
2. This Agreement does not in any way affect the Department's disciplinary power in any future examinations or investigations of Mr. Smith, or in any other complaints involving Mr. Smith.
3. Mr. Smith enters into this Agreement freely and voluntarily and with the knowledge of his right to have an administrative hearing on this matter. Mr. Smith understands he may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Smith understands that North Carolina Gen. Stat. § 58-33-46(a)(2) provides that an agent's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will not be held confidential by the Department. Following the execution of this Agreement, any and all licenses issued by the Department to Mr. Smith shall reflect that Regulatory Action has been taken against him. The Department is free to disclose the contents of this Agreement

with third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreement to all companies that have appointed the licensee.

6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

This the 24th day of MAY, 2011.

North Carolina Department of Insurance

[Redacted Signature]

Michael Sterling Smith
License No. 0001536575

By:

[Redacted Signature] 5-31-11
Angela K. Ford
Senior Deputy Commissioner